

NFRB QUARTERLY

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THE WORK OF N F R B

QUARTERLY REPORT

ORGANIZATION

There has been a gratifying response to the appeal for new members to support increased activities, and the first objective of the membership campaign, 500 net total, has been reached. As stated in the last issue, however, complete security cannot be attained with much less than 1,000 members, especially if the increased activities reported below are to be maintained; and assistance from members in interesting friends in N F R B would be welcomed by the office. The thanks of N F R B are due to those who have given valuable assistance in this respect already, and to Miss Jane Rendel and Messrs Clive and James for their energetic and voluntary work in the office, to which the continuance of a great deal of the present work of N F R B is due.

RESEARCH

A good deal of new and important research has been put in hand or is about to be started.

The INTERNATIONAL SECTION has work in hand, which is expected to be ready in the early Spring, on the Failure of the League, What Remains of the Peace Treaties, and on Colonial Questions & Economic Opportunity. A great deal of material has been collected on all these questions and memoranda containing detailed surveys and comments are in preparation on the 40-hour week, Labour's Colonial Policy, British East Africa, the Manchurian and Abyssinian episodes, the working of League Machinery, and Population and Migration.

The PLANNING SECTION has in hand a thorough and comprehensive analysis of existing Governmental powers of economic regulation, a memorandum on Planning machinery, (i) political, (ii) financial; and on the working of the present financial system in detail. The Distribution Committee of the Planning Section is undertaking an analysis of existing distribution machinery for primary commodities, chiefly foodstuffs, with especial reference to price spreads between wholesale and retail prices, and of labour conditions in the distributive trades.

A LABOUR & NATIONAL DEFENCE COMMITTEE has been started as a result of the discussion in the Group on The

Background of International Affairs, to deal mainly with technical matters. It has three Committees : on *Arms Supply*, (i) The Arms Industry, (ii) Governmental Organization ; on *Personnel and Co-ordination of the Armed Forces* ; on the *Technique of Security*, (i) Coordination of Rearmament and Foreign Policy, (ii) Technical Questions, (iii) Defence of the Civil Population. Assistance has been forthcoming from new directions and interesting memoranda are in preparation on these questions.

A PROPAGANDA COMMITTEE is projected and the details of this are under discussion at the moment.

WORK IN HAND also includes studies on Foreign Trade, on the Film Industry, various legal questions, etc., for which there is not space here for more than a mention ; socialization studies are in progress on Transport, the Chemical Industry, Coal, Cotton, Insurance, Land and Shipping. The thanks of N F R B are due to those who are doing work on these subjects. The panel of Research workers has been strengthened and increased to a gratifying extent as a result of the recent membership drive.

CONFERENCES

A Conference will be held at the Royal Star Hotel, Maidstone, on January 30-31, on "Labour and National Defence". There will be Sessions on Arms Supply, Home Defence & Collective Security, Democracy & the Armed Forces and Conclusions.

A one-day specialist Conference will be held on Compensation on February 20, and it is hoped to arrange a weekend Conference on The Depressed Areas at Manchester in March.

A weekend Conference was held at the Royal Star Hotel, Maidstone, on Foreign Trade, a report of which was circulated to those attending the Conference. The speakers included John Parker, M.P., Graham Hutton (Assistant Editor, the *Economist*), Sir Arthur Salter, Donald Barber, Colin Clark, G. D. H. Cole, and F. Pethick-Lawrence, M.P.

A Saturday Conference was held in London on "Technical Education", which discussed "The Place of the Junior Technical School in the Post Primary System" and "The Relation of Higher Technical Institutions to the University". There was a good attendance of teachers from different parts of the country, and a report was circulated to those attending.

A Conference on "Should there be a People's Front ? Can it be within the Labour Party ?" took place at St. Hugh's College, Oxford, on December 12-13. Richard Acland, G. R. Strauss, Ellis Smith, Geoffrey Mander, John Wilmot, G. D. H. Cole, E. F. M. Durbin, and George Ridley were among those who spoke.

LABOUR RULE IN NEW ZEALAND

*by the HON. WALTER NASH, M.P.
(Minister of Finance, Customs and Marketing)*

A YEAR OF OFFICE

New Zealand's first Labour Government, the first socialist Government to attain full power in any part of the British Empire, was elected last year on a short, definite and practical programme. So far as it called for legislation this programme has already been translated virtually in its entirety into statutory form in the first session of the new Parliament. It is a record of speedy achievement, made possible by good and loyal teamwork, and by the commonsense response of the people, a record of which I think any country might justly be proud. The task is by no means complete. We are indeed only at the beginning of the building of that better order of progress and security which man's industry and science make abundantly possible; but we have the foundations securely laid and, as we take satisfaction in the work accomplished to date, we can also feel confident of the future. That is not to say that we underestimate the seriousness of the task we have in hand. We are aware of the complexities and the difficulties of the problems with which we must deal; yet we appreciate that, while it is in the short run easier to find excuses for inaction than it is to tackle problems, the difficulties that will be upon us if we do not act decisively are no less than those that we will face in taking positive action. It is to the achievements of Labour in its first year of office that I am to refer in this article.

THE UNEMPLOYED

First in order of its pressing urgency rather than of its fundamental character, the immediate problem of relief to the unemployed was tackled. On the day on which Ministers were sworn in and received their seals of office, the 6 December 1935, the Prime Minister, Mr M. J. Savage, declared that the Government's first business would be to improve the lot of the unemployed, then to restore wages in industry and the civil service. A sum sufficient to provide for an extra five weeks' pay to the unemployed was earmarked as special Christmas benefit. Within three months of the Government's taking office, all relief payments were increased.

The latest revised weekly rates for men receiving sustenance where work cannot be provided are: Single men £1, married men 35s plus 4s per week for each dependent child; men on relief work receive higher rates than these. Concurrently, by vigorous public works activities, a shorter working week without reduction in earnings, and other measures of which more will be said presently, the Government have promoted full-time work for those previously unemployed.

SOCIAL SERVICES

Consistent with this principle of giving priority of attention to those who were suffering through no fault of their own, and at the same time of strengthening the purchasing ability which had been damaged under the previous policy of unimaginative and false economy, the Government proceeded to restore and increase pensions. Old-age pensions, payable to women at 60 and men at 65 years of age, were increased to 22s 6d per week as from the 1 December 1936, this sum being payable in the case of old couples to both husband and wife. It was provided that actual income received, and not property owned, should be the qualifying test. The term of residence in the Dominion required to qualify for the pension was reduced to twenty years. Pensions for miners incapacitated through occupational diseases were increased. The pension for widows with dependent children was raised to £1 per week, with a further 10s per week payable on account of each child under the age of 15. By a novel provision in the law, "widows' pensions" were provided for wives whose husbands have deserted them—such persons being in a sense deemed statutory widows for this purpose. Soldiers' pensions, and allowances to widows and children of deceased and disabled soldiers, were restored. A pension at the rate of £1 a week plus 10s for a wife and 10s for each child under 16, was provided for persons permanently incapacitated for employment. Restoring family allowances to their former level, provision was made for payment by the Government of 2s per week for the third and each subsequent child to mothers having three or more children with family income under £4 a week.

WAGES RESTORED

Proceeding next to the employed sections of the community, the twofold objective which was speedily carried into effect was the bettering of conditions and the reduction of working time. Wages and salaries in the Government service were restored to their pre-depression level, as also were wages to workers under Arbitration Court awards. Compulsory arbitration in industrial

disputes was reinstated (this system had worked on the whole satisfactorily to workers for thirty-five years until the anti-Labour Government in 1932 temporarily destroyed it under the pretext of making wage-rates more elastic). But restoration of the old *status quo* was not enough. New legislation required the Arbitration Court to fix basic rates of wages at a level sufficient to enable adult male workers to maintain a wife and three children in a fair and reasonable standard of comfort. The general basic wage has under this provision been fixed for the present at £3 16s 0d a week. All workers who are subject to an Arbitration Court award or an industrial agreement are required to be members of a trade union.

FORTY-HOUR WEEK

Breaking new ground, not only for New Zealand but for the world as well, the New Zealand Legislature in 1936 introduced as widely as was immediately practicable a forty-hour five-day week without loss of earnings. For the generality of industries subject to the Arbitration Court, this innovation came through a statutory direction to the Court in every award made after the passing of the Act to fix at not more than forty hours the maximum weekly time to be worked unless the Court were satisfied that "it would be impracticable to carry on efficiently any industry to which the award relates if the working hours were so limited". It is to be added that the Court has not found difficulty in deciding, even when objections were made and full evidence tendered by employers, that industries generally can stand the forty-hour week. Provision limiting the length of the working week to forty hours was directly enacted by Parliament in respect to factories. For employees in dairy factories special provision was made for granting holidays instead of the usual forty-hour five-day week. The provision made for agricultural workers is mentioned below.

AGRICULTURE

New Zealand's key industries are agricultural, with the United Kingdom as the main market. It therefore needs little elaboration to show that the price fluctuations characteristic of the United Kingdom market, and the low prices of the depression years, have had a devastating effect on New Zealand's economy and on the life of the farming population. This in part explains the Primary Products Marketing Act—a major policy measure. This Act provided for the payment of a guaranteed price to dairy farmers, the price to remain stable for the whole year, the setting up of a Primary Products Marketing Department to handle the export and sale primarily of dairy produce, and the assumption of

ownership by the Government of all dairy produce intended for export.

Prior to the election, Mr Savage had promised a guaranteed price to dairy farmers, based on the average received over the last eight to ten years. On examination it was found that the ten years' average (containing an equal number of "good" and "bad" years) gave the basis most favourable to farmers. To this was added an amount to meet cost increases. This brought the price which the average dairy farmer would receive per pound for his butterfat up to 1s 1d New Zealand currency. The average price received by farmers who supplied cheese factories was increased by a greater amount to compensate for the additional costs of supplying milk rather than cream, and for the disadvantage of having no skim milk for pig-rearing.

The guaranteed price is not paid direct to farmers, but is paid to the dairy factories, which are mainly cooperative; the payment is made when the Government assumes ownership, that is, when the butter or the cheese is placed on board the exporting vessel.

The Marketing Department is therefore in the position of owning and exporting dairy produce which in value amounts to two-fifths of New Zealand's exports. Mainly this is marketed by the London Dairy Sales Division of the Marketing Department through Tooley Street, where about twenty selected agents sell on a commission basis. At the same time they undertake not to speculate in New Zealand dairy produce. The domestic market in New Zealand is to come under Government control on February 1st, 1937, and the price received by the farmer for produce not exported automatically approximate to the Government's guaranteed price.

After the first year (i.e. from 1 August 1937) the guaranteed price will be determined after consideration has been given to the necessity in the public interest of maintaining the stability and efficiency of the dairy industry, the costs involved in the efficient production of dairy produce, the standard of living of those engaged in the dairy industry as compared with that ruling throughout New Zealand, the cost of marketing the produce, and other relevant factors. The price will be such as to yield to the efficient producer sufficient return to maintain himself and his family in a reasonable standard of comfort.

Payments for the purchase of the dairy produce by the Government are provided by drafts on the Dairy Industry Account at the State-owned Reserve Bank. Proceeds of sales are credited to this account, the procedure being for debits at the end of any one season to remain as an overdraft. If there is a credit in the account

for the year ending 31 July 1938, or any subsequent year, this would be left in the account as a set off against possible future debits.

FINANCIAL RECONSTRUCTION

Reorganization of a country's economic structure requires that the country's currency and credit system must be under the control of those who are carrying out the reorganization. Hence several changes were necessary in the constitution and machinery of New Zealand's Reserve Bank.

The Reserve Bank of New Zealand Amendment Act removed the element of control by private interests from the Reserve Bank, which is now entirely a State institution with directors serving at the pleasure of the Government. The Governor and Deputy Governor, however, serve for a set period of years. In buying the shares of the Reserve Bank the Government paid the market value at the time of the election (£6 5s 0d for each £5 share). The holders of the shares were given the right to accept either cash or non-negotiable Government stock (£6 5s 0d per share) at 4% per annum, which gave them the same interest as the £5 shares at 5%.

The Reserve Bank has now full power to buy and sell Government securities, to underwrite Government loans, and to advance to the Government moneys on overdraft for the purchase and marketing of any New Zealand product. The Bank is directed to control all foreign exchange funds, resulting from New Zealand's exports, and also the transfer of overseas funds to and from New Zealand. Power is also given to prevent, if necessary, the automatic convertibility of Reserve Bank notes into sterling.

The Reserve Bank has also power to vary the reserves which the commercial banks must keep with it. In addition, each commercial bank—there are six—must furnish among other information monthly to the Reserve Bank the total of unused overdraft facilities available to customers. Finally, profits earned by the Reserve Bank may form part of the budgetary revenue.

MORTGAGE DEBTS

Another aspect of financial reorganization concerns the system of State advances to farmers and home owners. The previous Government had eliminated vital social service aspects of the old State Advances Department, changing it into a Mortgage Corporation with private shareholders and bond issues not guaranteed by the State. The Labour Government, by means of the State Advances Corporation Act, provided for paying off the private shareholders on the same basis as the Reserve Bank shareholders, reduced the size of the Board and, as with the Reserve Bank,

brought the policy of the Corporation under the direct control of the Minister of Finance. The bonds of the Corporation are now guaranteed by the State and first mortgage effective rates are $4\frac{1}{4}\%$. The Corporation can lend in excess of two-thirds the value of the security only when the Minister of Finance empowers it so to do, the intention being to lend more liberally when social policy demands it—for example, in the case of housing, or of mortgage relief.

The Corporation may make loans to industry and be a shareholder therein; may lend to local authorities for housing purposes; may require a mortgagor to take out an insurance policy so that, in the event of his death, the widow will receive the property free of the mortgage; and to protect insurance, rates and maintenance charges, may require a mortgagor to make periodical payments on that account; and unless the Board otherwise determines, no mortgagor may further encumber the property secured against the mortgage.

It will be seen that the State Advances system has been moulded in the direction of making it an instrument of true social and economic development, rather than one which promotes speculation based on cheap finance. The State Advances Corporation is destined to be the instrument for providing long-term finance for all aspects of economic development, and so that it may secure the best possible rates, there is provision for the Reserve Bank to underwrite its loans. The Bureau of Industry (see below) is the instrument of public policy which will recommend in what directions and in which cases loans may be made to industry.

The State Advances system ensures that the farmer may obtain finance at as low rates as possible, and for the first time in the history of New Zealand's development the farmer is ensured an income of reasonable stability by means of the guaranteed price procedure, but these do not solve in their entirety the problems of the farmer whom the depression has left heavily over-indebted. Many farmers have been working under mortgage relief legislation of a temporary nature with a trustee or trustees to receive the income and authorize all expenditure for periods extending to five years into the future. The Labour Government finally cleaned up this mass of legislation and controls, by enacting the Mortgagors and Lessees Rehabilitation Act, a comprehensive measure providing that all mortgagors and lessees of whatever type shall be secured of possession of their farms, homes or other property, and that the debts against these shall be adjusted to a level not exceeding the productive or rental value of the property. This entailed writing off debts, but protection was given to mortgagees

to prevent a mortgagor taking advantage of the Act where, according to equitable considerations, he would not be entitled to do so.

Thus the farm position—which is basic—was provided for. The farmer was given a stable guaranteed price and his debts were adjusted so that he might secure a reasonable standard of comfort for himself and his family.

FARM WORKERS

Agricultural workers were also provided for by the Agricultural Workers' Act, which prescribed details of minimum accommodation to be provided for farm workers, prohibited the employment of children under 15 on dairy farms, fixed minimum wages ranging from 17s 6d a week (for workers under the age of 17) to 42s 6d. a week (for those aged 21 or over), increased by 17s 6d a week in cases where the worker was not provided with board and lodging by his employer, and provided for four weeks paid holidays per year.

RATIONALIZATION

A further development in the dairy industry which has been brought about in the past year is the rationalization of supplies of cream to dairy factories. Despite the fact that New Zealand's cheese and butter factories are almost entirely cooperatively owned, the organization of supplies as between factories had been marred by the overlapping of factory districts, and the competition for supplies in order to reduce overhead costs. To eliminate these undesirable overlappings the Commission of Agriculture, a State-appointed coordinating body, held meetings of the directors of the dairy factories concerned, and by a process of discussion and mediation secured agreements (to which the Government will give the force of law) for amalgamation of factories, shutting down of small inefficient units, and the zoning of areas of supply. The purchase of the export dairy produce at uniform f.o.b. schedule prices for different grades is also assisting in the drive for maximum efficiency in production.

I have now outlined the larger policy measures of the Labour Government, but the story of the first year's work even in the sphere of legislation has by no means been completely told.

AGAINST PROFITEERING

Having taken the steps mentioned to restore and increase the purchasing ability of our people, the Government established safeguards against exploitation, against the danger that the gains intended to be conferred would be nullified by unwarranted price

increases and profiteering. Two Acts were passed to meet this possibility—"The Fair Rents Act" which provided for restrictions on increases in the rent of dwelling houses and for the determination by judicial process of fair rents; and "The Prevention of Profiteering Act" which is sufficiently identified by its title as "a measure to prevent profiteering by prohibiting the making of unreasonable increases in the prices charged for goods and services".

ENABLING ACT FOR INDUSTRY

The Industrial Efficiency Act is in the nature of an enabling Act for industry but with adequate safeguards to the interests of the community through direct control by the responsible Minister. It establishes a Bureau of Industry, the ordinary members of which are persons in the full-time service of the Government; special members representative of industries and their employees are added. The Bureau has a wide range of functions advisory to the Minister in promoting the efficiency of existing industries and of furthering the establishment of new industries suitable to the country. Provision is made for the preparation of industrial plans, again at the instance of the Minister; provisional plans when drawn up are to be published so that objections and suggestions for their improvement may be tendered; and subject to the approval of a majority engaged as principals in the industry or by employers of a majority of workers in the industry such plans may be made binding on the whole industry. This Act confers power on the Government for the registration and licensing of industries.

PUBLIC WORKS

Public works activity was resumed on a wide scale, particularly roads, railways, bridges, elimination of railway crossings and construction of aerodromes. The minimum wage rates on Public Works were fixed so as to enable ordinary workmen to earn 16s per day for a five-day (40-hour) week. (Their actual earnings for the first six months averaged 17s 3d per day.)

HOUSING

The depression brought overcrowding and under-housing to New Zealand—this at a time when many skilled building tradesmen were unemployed. The Labour Government, as a step towards remedying the position, has set up a Housing Department under Ministerial direction to build houses under conditions of community planning. Two State joinery factories are in course of erection to turn out doors, joinery work and fittings on a large scale. The

houses are to be of bungalow type and rented from the State at a low rental. These should be the best working-class houses in the world. Finance is provided from the Housing Account at the Reserve Bank; the money is made available at a low rate of interest by authority of the Minister of Finance in arrangement with the Governor of the Bank.

In addition the State Advances Corporation advances to individuals who wish to own their own home a capital sum amortizable at 4½% interest over a period of years. Where the Minister of Finance so directs, the sum advanced may be up to 100% of the value of the house.

There is also provision for the State Advances Corporation to lend to local authorities to enable them to carry out housing schemes suited to their particular needs.

TRANSPORT

In relation to transport, the Government frankly accepted direct Ministerial responsibility where the tendency had hitherto been to relegate it to Boards and Commissions. It nationalized 4,000 miles of the main highways in order to unify the system of control and to eliminate railway level crossings which have been a source of constant danger. A determined drive to reduce motor accidents and to cope with increased traffic has been put in hand by the Minister of Transport. He has raised the standard of requirements for driving, prohibited sweated conditions for drivers and unified traffic laws into one code.

The taking of direct Governmental responsibility in transport is in line with the general policy of the Government. In its first months of office it abolished a number of Boards which had been set up for the purpose of relieving Governments of their responsibility in public affairs; amongst those abolished were Transport Boards, the Unemployment Board, the Railway Board and the Broadcasting Board.

BROADCASTING

Mention of the change made in control of broadcasting reminds one of the precedent set by the New Zealand Government in arranging for the broadcast of Parliamentary proceedings. The broadcast provided direct contact with the people through the voice of Parliament and reduced the dependence on press reports. We were not aware of the response which this change would bring on the part of listeners. Experience, however, quickly demonstrated that the innovation was popular. It enabled people in the towns and the rural districts to follow the course of Parliamentary business; it is safe to say that no part of the Government's

policy has been more strongly welcomed and supported than the broadcasting of the more important speeches and debates which are relayed through all the National stations.

PLANNED EXTERNAL TRADE

The New Zealand Government fully recognize that the standard of living which is within the grasp of the people of their country under full socialist development cannot be attained without the cooperation of people outside our Dominion as well as within it. New Zealand is especially prolific in the production of foodstuffs and agricultural raw materials. We can best raise the standard of living of our people by exporting the surplus of these in exchange for manufactured products. It is essentially because of recognition of this fact that I am in the United Kingdom at the present time. It is our Government's hope that we will be able to make arrangements with this country for the interchange of our surplus products to the mutual advantage of the people of both countries and that the threats of restricted production which are so inexcusable in the face of pressing human needs will be avoided.

FOR PEACE

New Zealand appreciates, too, that efforts that may be made by the Government and the people for bettering of economic and social conditions will be frustrated if the world is again plunged into war. Recognizing this, it has been a main purpose of the Government to play its part in discussions at Geneva and elsewhere to revive and make more real the power of the League of Nations in the settlement of disputes and in the removal of difficulties which threaten to develop into international trouble.

LOOKING FORWARD

Our programme for next year includes comprehensive health insurance, unemployment insurance and national superannuation schemes to cover every citizen; in addition the education system will be recast to provide the maximum possibilities for the development of our children. As part of the programme a free milk to all school children scheme will be put on a working basis.

The Government looks on its legislation and administration as a contribution towards "collective security"—a security that is as imperative for individuals as for nations. We believe that we can make our most immediate contribution to this goal by putting our own house in order—by collective action to ensure individual security—and then helping as we can to raise the standards of living in all countries.

THE FUTURE OF THE LABOUR PARTY

1. INTERNAL REORGANIZATION

by F. C. WATKINS, M.P.

GRIEVANCES OF THE D.L.P.s

The Edinburgh Conference demonstrated many things, but nothing quite so unmistakably as the fact that there existed a deep dissatisfaction and sense of frustration among the delegates from Divisional Labour Parties. It was exceedingly unfortunate that pressure on Conference time prevented ample discussion upon the grievances, real or imaginary, that were indicated by the numerous resolutions on the Agenda regarding such questions as the method of determining delegation to Conference, the compilation of the Agenda, the arrangements for electing Officers and Executive Committee, and, above all, the system of voting at Conference. On the last day of Conference, the Chairman of the Conference Arrangements Committee announced that no time could be given to the resolutions sent in by the Constituency Parties dealing with these questions. This announcement caused great disappointment, and the Executive Committee were asked from the floor if an undertaking could be given that the whole position would be carefully examined, in order that the feeling of frustration among the Divisional Parties could be dealt with, and a remedy proposed at the next Conference. In response, Dr Hugh Dalton, on behalf of the Executive Committee, said that they were deeply troubled at the apparent divergencies which showed themselves, and deeply deplored the disharmony which existed, and that he was authorized to say that the National Executive was quite prepared to go into the whole matter, and, so far as he personally was concerned, he would be happy to have friendly consultations with some of those who had proposals to put forward, adding that the matter would be considered in the most friendly and cooperative fashion.

THE AREA CONFERENCES SCHEME

This promise is now being faithfully observed, for after a recent Executive meeting the following statement was issued:

“The National Executive of the Labour Party today considered a number of matters remitted to it by the Annual Party Conference at Edinburgh in October. Among them

was the question of proposed amendments to the Party Constitution and other matters of special interest to Constituency Parties, regarding which Mr Hugh Dalton had given a promise at Edinburgh, on behalf of the National Executive, that it would be prepared to enter into friendly consultation with Constituency Parties during the ensuing twelve months. It was decided to hold a series of Area Consultative Conferences of Constituency Party delegates, to be held under the auspices of the National Executive, and to be attended by representatives of the National Executive, at which matters of special interest to the Constituency Parties will be discussed. It is hoped that the first of these Conferences will be held in the early weeks of the New Year. Other issues covered by the National Executive's promise have been referred to a sub-committee for early consideration and report."

This satisfactory development indicates that the National Executive is alive to the vital importance of the matter, and the need for quick action to maintain unity in the Party.

It is of importance for the progress of the Movement that the Divisional Parties should be provided with every encouragement, since it is they who carry out the day-by-day propaganda, and the important work of electioneering. If their grievances are real, they must be remedied. If they are fancied, then means must be taken in the right spirit to convince them accordingly. Their major dissatisfactions are concerning the system of voting at Conference, the power of the Trade Union "block vote", and the method of electing the Executive Committee.

THE "BLOCK VOTE" AND SUGGESTED REFORMS

The Constituency Parties feel that the power to influence decisions at Conference now possessed by the Trade Unions works unfairly. They allege that however great the support among them for any proposal concerning either policy or organization, the "block vote" of the Unions can always defeat it. So strong is this dissatisfaction that at Edinburgh one heard Divisional Party delegates asking, "What's the good of us coming here at all?" The almost regular announcement from the chair of the result of a card vote, "For, two millions, odd; Against, a few hundred thousands", was received with ironical cheers. It is clear that the opinion exists that on important issues the "block vote" is solid, that the Trade Union votes are all cast on one side, and the Divisional Party vote, also solid, cast on the other. It is probable that a careful analysis of the voting results would reveal a large amount of cross-voting, and that on most issues

the Trade Union votes, and also the Constituency Party votes, are divided. The facts of the matter must be accurately ascertained, and faithfully presented at the forthcoming Area Conferences.

The Divisional Parties have suggested various remedies for what they believe to be an unfair system. That each Conference delegate should have but one vote, or that the Conference should consist entirely of delegates from the Constituencies are two proposals that have been made.

It would be fatal to the success of our Movement if a cleavage developed between the Trade Unions and the local Parties. It must be recognized that each section makes its own contribution to the work of the Party. To the Central General Fund the Trade Unions contribute £32,000, in comparison with £7,000 from the local Parties. It must, however, be borne in mind that a very large sum is collected annually in the divisions for the general work of the Party by the splendid efforts of local workers. The delegates from the Constituencies undoubtedly feel that although finance is a large factor in the Movement's work, the contribution of personal service by individual members in and through the local organizations is certainly entitled to proportionate consideration.

ELECTION OF THE NATIONAL EXECUTIVE

The Divisional Parties, further, feel that they are under a disability through the method of electing the National Executive. They urge that the method should be amended to provide that Divisional Party delegates alone should have the right to ballot for the five Constituency Party seats on the Executive Committee. They remind the Executive Committee that this system existed in the constitution of the Party up to the year 1918, and is now applied in electing the Executive of the London Labour Party. They claim the Constituency Parties should have the complete and unhampered freedom to place their own representatives on the governing body of the Party. It is argued that as the Trade Unions participate in the ballot for these five Committeemen, the Constituency Parties do not necessarily secure the five members they particularly prefer. Therefore, they state, the point of view of the local Parties may not be adequately voiced in the Executive Committee's deliberations.

It is true that this alteration in the Constitution would ensure that the Constituencies would be certain to get their five "most-wanted" representatives, but it might also involve the election of people which the majority of delegates to Conference considered

undesirable. In spite of this possibility, however, there is clearly a very widespread support among the Divisional Parties for this change. They consider direct representation on the Executive Committee to be of more importance than the theoretical democratic rightness of the whole of the Executive Committee being elected by the whole of the Conference.

Many people feel, however, that an Executive more representative of the Movement as a whole could be obtained by abolishing the present sectionalization of that Committee. It is suggested that the whole Executive should be elected by the whole Conference without any subdivisions. It is argued that many of those who just fail to be elected for the D.L.P. section are better than some of those who are just successful in the Trade Union and Women's sections. This proposal carries with it the suggestion that women should stand for the Executive on equal terms with men and should not have any places reserved for them. Supporters of this view believe that now that women play an active part in the Labour Movement they no longer require special treatment.

LOCAL TRADE UNION AFFILIATION

Another suggestion is that the sectionalization of the Executive Committee *and of the Conference* should be abolished, by arranging that all affiliations should be made, and fees paid, to the divisions locally. This system would provide an Annual Conference consisting completely of delegates from Constituency Parties, the Trade Unions exercising their influence at Conference not directly, but indirectly through local organizations.

It may be that what is most necessary is not so much an organizational alteration as a psychological one. There are nearly 600 local Parties spread throughout the country. Many of them work for the Party under discouraging difficulties. They need more frequent helpful contacts with the Executive Committee and Head Office. They need to be impressed with a realization that they are a part of a nation-wide organization, of a living fellowship, working in a united way for a great Cause. More should be attempted by the Executive Committee and the Officials of the Party to assist and encourage local workers. The special Area Conferences now being arranged should provide the National Executive with just the opportunities for this purpose. If all the grievances of the local Parties are frankly discussed, these Conferences should promote greater harmony among all sections of the Movement, and encourage active workers in the divisions loyally to continue their efforts.

2. OBSTACLES TO A LABOUR MAJORITY

by GEOFFREY MANDER, M.P.

I am writing as a Liberal who is warmly sympathetic to the idea of a Popular Front in this country, but who is none the less aware of the great practical difficulties ; and I am going to deal here with what seems to me the greatest difficulty of all—the Labour Party itself.

POLITICAL MACHINERY THE DIFFICULTY

The experience of the Next Five Years Group and other organizations shows that there would be no difficulty in achieving an agreement on policy, an agreement between members of all parties and none to work together, retaining their individuality, for the achievement of certain defined objects within a specific period. The difficulty lies in political machinery. It is true, no doubt, that not all Liberals would assent to such a course, but I believe that the great bulk would, as would many Conservatives. It is less really the rigid conservative political attitude of some sections than the machinery of much of the Labour organization which presents the real difficulty. However much the leaders may secretly sympathize with the Popular Front movement, they are the prisoners of the machine. It is difficult to tell people who have spent their lives arguing that Liberalism is the enemy, for example, to swing round immediately to the view that these are the very people with whom they should cooperate, but if this could be overcome such a progressive combination would sweep the country. This applies not to the mass of the voters, who are sensible and moderate enough, but to local office holders and partisans who take a narrow parochial view, and are unable to appreciate the internal and international consequences of the present situation.

THE LACK OF NATIONAL CONFIDENCE IN LABOUR

It is no solution to say, as some do, that all that is necessary is for as many people as possible in other parties to join Labour, and so present an alternative to the present Government, because such an alternative, I think, will never command a majority in the House of Commons in any foreseeable future.

The fact has to be faced that vast numbers of the voters who decide general elections are not prepared to entrust to a Government composed of the Labour Party alone the destinies of this

nation. It may be they ought to, but they do not. The memories of the crisis of confidence of 1931, however it may have arisen, and the impressions left of an abrupt flight from duty and unwillingness to face the music, are too vivid. I am not arguing whether these impressions are well or ill founded: the important point is, they exist. Furthermore, if despite this a Labour majority were secured and a Government formed, it would not be sufficiently *broad-based* to stand up against the tremendous vested interests and power of the Right and Centre parties, to say nothing of the City; particularly in an international crisis it would be exceedingly difficult for it to maintain its position.

The prospects of a Labour Party are, of course, so far from improving, growing steadily worse at the moment owing to the divisions in its ranks on foreign policy and the absence, so far, of any outstanding personality as leader.

The need of the moment is to secure a Government which will pursue a policy based wholeheartedly on the collective system of the League of Nations. This is the official and quite sincere policy of the Labour Party, but in a matter of this kind all experience goes to show that a single party (e.g. the Liberal Party of 1914 with all its strength) is not sufficient; a Government backed by more general national support is required.

The great strength of this National Government, in spite of its incredible betrayals, is that there is no alternative to it that the ordinary voter is prepared to trust. This will continue indefinitely until some appealing combination arises.

COOPERATION WITH THE COMMUNIST PARTY

The question of cooperation with parties to the Left is a difficult one, and I fully appreciate the reluctance of Labour, in view of past experience, to cooperate with the Communist Party. A similar reluctance existed in France. I cannot help feeling, however, that the gravity of the international situation forces us to look with new eyes to this problem. After all, Russia is a loyal member of the League of Nations, at least as much prepared as any other member to carry out her collective duties. The British Government is working with it as a colleague through the League machinery. Is it possible for us under those conditions, so vitally different from those that existed years ago, to say that we will not form common cause to any purpose, however near our own heart?

While the methods of Communism in Russia are highly objectionable to British minds, yet much of the practical social policy is certainly in accord with what we should like to see more

widely extended by constitutional means. I think we shall have to take some risks here, in view of the wider menace of Fascism. It is necessary for all of us who are on the Left (and this, I think, includes the great majority of the nation) to realize that unless we do take some joint action there is very little prospect in our lifetime of any of the great ideals at home and abroad which we should like to see achieved, making substantial progress; indeed, it may be truthfully said that it is nothing less than the future of civilization itself which is at stake.

A "NATIONAL GOVERNMENT OF THE LEFT"

A National Government *is* necessary, but it must be a National Government of the Left, presumably with a Labour Prime Minister and a majority of Labour Ministers, but with other parties, too. It is frankly impossible to conceive a Government such as the Labour Cabinet of 1929-31, or one formed out of its present representatives in the House of Commons, standing up for long to the withering fire of an Opposition in Parliament in these critical times.

I think it is wrong to assume that there would be any difficulty in the ranks of the Labour Party in the country. Apart from limited sections, they are largely disappointed radicals, who are not interested in doctrine, but in progress. If the Liberal Party had not been destroyed as a governing party as a result of the Coalition Government after the war, they would have remained active supporters of the party that gave us the wonderful social legislation of 1906 to 1914. The time factor is important. A war seems likely to come before the next general election is due in three or four years' time. It may be that the work of the Popular Front will have to be exercised in opposition rather than as a Government for this reason. Even in this position it might have a decisive influence on policy.

Nothing indicates more clearly the machinery difficulties of the Labour Organization than the by-elections since 1931. Again and again efforts have been made to secure the return of some of the many leaders who lost their seats, but the choice has gone to some local trade union secretary. No one wants to keep out trade union secretaries. Their presence is invaluable, but not in unlimited numbers.

Summing up the general position, it seems to me that we have all got, in face of the imminent peril, to put aside our prejudices, predilections and party interests and do our best to secure an alliance on a firm, honest basis such as alone seems capable of saving democracy and world peace.

3. LABOUR—THE PEOPLE'S PARTY

by A DEMOCRATIC SOCIALIST

THE PROBLEM OF POLITICAL ORGANIZATION

There will be few people of progressive mind who would deny that there is urgent need of a British Government which will wholeheartedly set about checking the drift towards war, the process of economic and social decay, and the increasing aggressiveness of reaction at home and abroad, as first steps towards the realization of the potentialities for human happiness of our industrial and commercial equipment. There will also be few who will deny that there is a very large section, if not an overwhelming majority, of the British electorate prepared to support a political combination of whose capability of carrying out such steps they can be assured. The problem is therefore one of the effective "canalization" of this opinion—of finding the most efficient means of organizing the maximum number of progressive people for the achievement of the maximum programme for which fairly solid agreement can be found.

THE "PEOPLE'S FRONT" SOLUTION

There is a considerable and vociferous section of opinion which believes that the best way to do this is to follow the example of Spain and France and form a "People's Front" of individuals and organizations of differing political allegiance but which are agreed on a common programme of specified measures. The arguments for such a form of organization are all variants of a central theme—that the Labour Party is not capable, and shows no signs of being capable in the immediate future, of achieving majority power on such a programme as contemplated above, and even of carrying it out if majority power were achieved. This central theme is usually developed in the form of doubts as to the sincerity and capability of Labour leadership, or as to the ability of Labour to make a "National" as opposed to a Sectional—Trades Union—or even "Class" appeal, or of the ability of Labour to make any appeal at all—the dead hand of the "machire" having supposedly strangled all political "life" in the Party. To the answering of these doubts the latter part of this article will be devoted.

THE CASE AGAINST THE "PEOPLE'S FRONT" SOLUTION

There would be more weight behind the arguments for a common Front did not its advocates present such an appalling picture of disunion amongst themselves. There appears to be

considerable disagreement both as to the specific measures which are to be advocated, and as to the form of organization which is to advocate them. Those on the right of the "People's Fronters", for example, would not be prepared to accept what those on the left regard as essential—a very large measure of control over the financial system, if not the out and out nationalization of Joint Stock Banks as well as the Bank of England. No "People's Front" worth the name could leave the present financial corruption unreformed. Nor is there any more agreement as to who shall be admitted into the People's Front. Some would keep out the Communists—others regard them as an essential ingredient of this political stew. Nor has there yet been suggested an electoral arrangement for the People's Front of any practical value. This country has neither proportional representation nor second ballot, and the problem of dividing constituencies amongst the organizations concerned, and securing agreement on the division, appears insuperable. Who can see either the Labour machine or the Labour rank and file and the Communist machine agreeing as to the allocation of say, Mr Mainwaring's seat in South Wales? To none of these three major difficulties has any adequate constructive answer yet been made.

COOPERATION WITH LIBERALS AND COMMUNISTS

The difficulty of who is to be included in the "People's Front" deserves closer attention. First, as regards the Liberals, what political advantage Socialists, or Communists, for that matter, can conceivably hope to gain from allocating seats to a party which, if the political tendencies of the elections since the war are noticed, seems doomed to extinction, is beyond seeing, particularly since that party is bitterly opposed to the "regimentation" of capitalist enterprise for which it conceives the left to stand. There are of course a large number of progressive people of no political affiliation, who are vaguely "liberal"—with a small "l"—who ought to be recruited in support of a progressive government. What these people want to see is a practical programme and a capable leadership. Who are the capable leaders and where is the agreed practical programme which a "People's Front" will offer them and which the Labour Party cannot offer them?

Cooperation with the Communists might possibly effect that "revitalization" of the Labour machine which is desired. Experience seems to show that a good deal of the new energy would be spent in internal quarrels. Certainly it would bring the Labour

Party at most two Parliamentary seats—a negligible increase of voting strength; and against this, it would stir Tory apathy, and the apathy of the non-political, normally non-voting people, under the stimulus of a “Communist Bogy” campaign in newspapers whose circulation exceeds that of the combined *Herald*, *News Chronicle*, *Manchester Guardian*, *Daily Worker* and *Reynolds* circulations by several millions. Cooperation with the Communist Party on a national scale would make Labour appear as anxious to drag Britain into the Continental “line-up of creeds” a thing which, particularly since Spain, the man in the street greatly fears.

CAN LABOUR BE “THE PEOPLE’S PARTY”?

There is another solution to the problem posed above—that of making the Labour Party into a real “People’s Party”. The case for this solution has never been boldly put, because the measures involved are not always those most fitted for public discussion. What are the faults of the Labour Party, which, its “Popular Front” critics say, make it incapable of being a People’s Party? Firstly, the “dead hand” of the machine, which “strangles political vitality”. The first article in this symposium is devoted to a discussion of this issue. It is usual for critics to assume that this problem is insoluble from *within* the Labour Party—that neither side, in any dispute, will compromise with the other. Mr Watkins’ article should be sufficient to show the falsity of this view. There is a great deal to be hoped from the area conferences and from the increasingly obvious realization by *all* sections that the present position of the D.L.P.s is intolerable, and that some measure of “democratization” is essential.

LABOUR LEADERSHIP

Secondly, the criticism is often made that Labour leadership is neither sincere nor capable. It must be remembered that a popular movement does not recover in twelve months from a blow as heavy as the Labour Movement received in 1931. What would happen to the Conservative Party if Baldwin, Neville Chamberlain and Sir Samuel Hoare deserted and in a subsequent election the Tories lost 200 seats? Since 1931 the Labour Party has had to face the enormous task of rebuilding a leadership and a battered machine. Naturally, there have been divisions in leadership—mainly on issues which are now beginning to resolve themselves. Leadership is impossible if the supporting forces are divided and discouraged, and farcical if the programme for which the Party stands is in addition, from the *immediately practical point of view*,

far too long, far too vague and far too ambitious. It is now generally recognized that a short term programme of a very few concrete measures is necessary, and it cannot be doubted that such a programme will be forthcoming in the new year.

NATIONAL CONFIDENCE AND A PEOPLE'S PARTY

The British people, though disillusioned with "National" Government, have none the less not supported the Labour Party (i) because the 1931 fiasco was still fresh in their minds, (ii) because Labour leadership was fundamentally and publicly divided, (iii) because Labour stood for nothing which to the average man appeared comprehensible and concrete. A practical short term programme will go far to restore the average man's confidence in the Labour Party as an alternative to the National Government. A restoration of the enthusiasm of the Party by remedying the D.L.P.s' grievances after the Area Conferences, by courageous leadership and by a more tolerant attitude to Labour Parties who find, in *local* cooperation (*not* fusion or affiliation) with "unofficial" bodies on both wings on *specific and temporary* issues, a solution to the problem of attracting wide support which they cannot find by more orthodox means, would enable the Labour Party to become a People's Party in itself.

LAW OF LIBEL AND SLANDER

by THE HALDANE CLUB

THE PRESENT PROBLEM

The law on this subject affords a typical example of a simple and effective safeguard, intended to protect the rights of the individual, having become overgrown with complications designed to prevent the remedy from being worse than the disease.

Briefly stated, if the penalties for defamation are too heavy, the door is opened wide to every form of blackmail; while if they are not enough to deter the malicious, every man's good name is at the mercy of those who wish him ill.

The complication arises in the type of case where a man's reputation has been taken away, not by some enemy, but unwittingly by an author or a journalist who, though he had never heard of him, had the misfortune to hit on his name; or, more commonly still, owing to the cooperation of a publisher, printer or distributor in the dissemination of a libel without negligence and without appreciating its significance. In such cases at least one innocent party must suffer.

The consequences of libel are far-reaching and insidious. An injunction can only limit them. Damages will merely console. Even an apology will generally undo but a part of the mischief. Prevention in such a case is essentially better than cure.

The danger is that prevention itself may go too far, that its means may be forged into the instruments of blackmail. So notorious is this development today that the tendency is to seek a remedy by relaxing the measures (such as punitive damages, heavy costs and limitation of defences) designed for the prevention of defamation rather than by devising direct means of countering blackmail.

Such a tendency, if put into effect, would eventually defeat its own ends. Once the risks attending unguarded statements were reduced, the increased opportunities for scurrility would not long be missed, and the clamour would soon be for stricter libel laws than before.

The purpose, after all, is to protect innocent and careful people from being ruined by the misfortune of having injured somebody's reputation, without depriving the party injured of every possible means of re-establishing his good name. It is not intended to make it safer for those who are malicious or negligent in their handling of the reputations of others. No doubt it is

hard for authors, and still more so for publishers and printers, who have acted in all innocence, to become liable in damages for an accidental libel. But it is still harder for a member of the public whose reputation has been impaired, to depend for his remedy on circumstances of which he cannot have had any knowledge and which were at all times outside his control. Those who take up the pen or use the press are, to this extent, playing with edged tools, and theirs must be the responsibility if anyone is injured.

The extent of their responsibility is another matter. It would be inequitable that the same consequences should be visited upon those who acted with deliberate malice, those who were merely negligent and those who offended quite unwittingly. There is room, even in the present state of the law, for appropriate distinctions to be made. Damages dwindle or become inflated partly, at any rate, in accordance with the degree of culpability attributable to the defendant. But the matter does rest entirely with the jury. Sympathy with the plaintiff may easily outweigh the excuses of the defendant, and heavy damages are sometimes awarded out of all proportion either to the blame fairly attributable to the libeller or the injury actually suffered by the libelled.

Further, as damages cannot be severed, it happens from time to time that publishers, printers and others are penalized, for the malicious motives of the author, to which they were no more than passive parties. Unjust as this may be, it cannot lightly be discarded as an anomaly. Authors are frequently penniless, and if the plaintiff had no one to whom to look for damages except a man of straw, many libels would be published with impunity. At the same time, it seems difficult to justify the absence of any differentiation between the principal wrongdoer and the merely incidental accessory, though it is right that each should bear some share of the responsibility.

Actually it is because the present law has gone so far in its anxiety to protect individual reputations by imposing preventive sanctions that the tendency is now so much in the opposite direction. The weakness in the system is not, it is submitted, in the principle but in the clumsy machinery available for its application. A person who has been libelled is encouraged, like the village batsman, to "close his eyes and swipe". If the case ever comes into court, the rest is left to the rough common sense of the jury. Generally it pays the defendants better to keep it out of court : and thus the stage is set for the perfect act of blackmail.

This is the abuse that must be curbed ; this and its counterpart, the deliberate or irresponsible libel by the man of straw. Once that has been done, the law of libel only requires amendment

in the direction of more systematic discrimination between the mischievous, the negligent and the unwitting among libellers.

LIBELS ON CORPORATIONS

Since the protection of individual reputations provides the main excuse for the severe operation of the libel laws, the problem of the defamation of impersonal bodies calls for special consideration.

Since the decision of the Court of Appeal in *South Hetton Coal Co. v. North-Eastern News Association* (1894) 1 Q.B. 133, an action for defamation lies by a corporation in appropriate cases without proof of special damage. This is occasionally a source of embarrassment to those who wish to expose abuses by corporations, such as the misuse of their influence and resources for political purposes that are outside the legitimate scope of their activities. Such exposure may well be justifiable in fact against the company without its being possible to fix with liability any individual director or other person responsible for the abuse in question. Yet the voice of criticism is effectively stifled owing to the difficulty of successfully proving a political motive on the part of a company as such. There is, it is true, some doubt as to whether any action at all would lie by a corporation for an imputation of improper motive (see *Mayor, etc., of Manchester v. Williams* (1891), 1 Q.B. 94). But if such an action is maintainable in law, it is practically irresistible. This may apply to the company even in those cases where it is possible to justify as against certain individual directors who may be involved.

The question is whether, and if so to what extent, the law can effectively be altered so as to meet this difficulty. What is desired is to open the door to outspoken criticism of corporations on the same terms and subject to no greater risks and obstacles in practice than are encountered in regard to similar criticism of individuals. There are, however, at least two difficulties in the way.

The first of these is to define exactly where corporations at present enjoy an unfair advantage. The general principle which emerges from the *South Hetton Coal Co.'s* case (cited above) is that an action lies without proof of special damage for any untrue or unfair attack on a company's reputation which involves an imputation of some discreditable act which the company, as such, would be capable of performing; otherwise no action lies. From this follows the corollary, that every imputation for which a company could maintain an action is one which must at least be capable of justification. The only obstacle is the practical difficulty of

establishing justification. But in this respect there is no distinction between the case of an individual and that of a corporation. Indeed, as against a corporation the writer of a defamatory statement enjoys the advantage of being able to search the Companies Register, scrutinize the distribution of its shares, discover the identity of those responsible for its policy, inspect its published balance sheets, and ultimately (after action brought) to observe and establish its activities by prying into its Minute Books. In the case of an individual it is a matter of chance whether documents will be in existence that will help to corroborate or refute allegations made against him. In fact, it would seem that in practice a company should actually be more vulnerable than an individual.

The other difficulty is to avoid going too far in giving added protection to fair criticism. It would obviously be undesirable to open the door to reckless attacks by scurrilous scribblers, disgruntled ex-members or discharged employees. Bodies such as Trade Unions and Municipal Corporations would be particularly exposed to attack in this respect, and it is not easy to see how their reputation is to be safeguarded if a measure of protection is to be withdrawn from corporate bodies generally or, on the other hand, how corporations which are liable to abuse their comparative immunity from attack are to be disarmed without increasing the vulnerability of bodies that it is not desired to weaken.

A frontal attack on the position of corporations in relation to the libel laws would almost inevitably fail to avoid either of the above-mentioned difficulties, and it is doubtful how far such an attack would be effective. If libel actions became too hazardous for corporations to undertake them, the way would be clear for the most obvious forms of blackmail; while, on the other hand, any attack on a company's reputation sufficient to affect the value of its shares might well give a right of action for consequential loss to the individual shareholders. Such latter right could no doubt be excluded by legislation, but the effect would then, more than ever, be to make a corporation, and indirectly its members, "fair game" for almost any imputation, however slightly founded.

PUBLICATION OF COMPANY ACTIVITIES

Perhaps a better plan would be by way of a flank attack. Instead of altering the law of libel, an extension of company law might be devised whereby it should become obligatory on a company to publish even more details concerning its activities than the law requires at present; and justification of an attack on the company could perhaps be facilitated by providing that all

such particulars as the law compels a company to disclose should prove themselves *prima facie* in a court of law without further evidence. What the further details should be that a company might be required to disclose, it is not quite easy to define. One item might certainly be more precise information regarding beneficial interests in shares held by nominees, so as to uncover the personalities and possibly the activities of individuals behind particular corporations. No doubt publishers who have had experience of attempting to prove allegations against corporations will know better than anyone else what disclosures to insist upon. To enumerate them is the first step to be taken ; after which they must be carefully considered one by one, with reference to the balance between the general desirability and any particular undesirability in their being made public. Going too far in this respect may very easily hamper legitimate activities, and cripple bodies from which the public at large derives benefit. In an extreme case the effect might even be to drive back the management of business more and more into individual hands.

The real problem is to facilitate the justification of a fair attack. The law, as it stands, permits such attacks with impunity. It is only its practical application that presents obstacles. But the obstacles to fair attack are also the bulwarks against unfair attack, and merely to remove them would be to replace a bad with a worse state of affairs.

SLANDER

The feature that distinguishes the law of slander from that of libel is the limitation of the class of cases in which an action will lie in the absence of proof of actual damage. The common sense of the matter is that words are often uttered in haste or in anger which, in the event, prove to have been harmless, and, once uttered, cease to survive. There are, of course, exceptions ; and for these the law provides ample remedies. With the written word, however, it is otherwise. What is committed to pen or print is capable of permanence, and it is only in the exceptional case of prompt and total destruction before it is seen by credulous eyes that the mischief can be averted. Its production requires a deliberate and usually calculated act, and the responsibility as well as the weight attaching to it is consequently the heavier.

It is reasonable and proper, therefore, that these two wrongs should be treated differently. Nevertheless, it is frequently put forward as a simple and obvious solution to the difficulties experienced in connection with the law of libel that its provisions should be assimilated to those applying to slander. A moment's

reflection must make it evident that any defamatory statement published, for example, in a newspaper, could without any difficulty cause incalculable harm to the person defamed without his being able to estimate, still less prove, the extent of the damage which he could attribute to its effects. This is quite a different situation from that which would be likely to arise out of the simple, transient utterance of spoken words. Moreover, the effect of the latter could be expected normally to be more immediate and hence more quickly ascertainable and demonstrable. Any argument based on the contrary assumption affords, it is suggested, a reason for extending the right of action for slander rather than for limiting the right of action for libel.

Another argument commonly used by advocates of the short cut is that by forcing plaintiffs in all but exceptional libel actions to prove actual damage, they will eliminate altogether the "farthing damages" class of case. There appears, however, to be no ground for any such optimism. A plaintiff may, in the event, fail to prove that the libel complained of has occasioned him any actual damage, but there will be innumerable cases in which he will not hesitate, in perfectly good faith, to bring his action in the hope of establishing the loss of at least a few pounds. Thus defendants will not often escape the burden of having to contest an action, and, when they do escape, it will be at the price of depriving many a man who has genuinely suffered in his reputation of the benefit of any right of action whatever.

PROPOSED REMEDIES

It is not practicable in the present state of Parliamentary business to pass a detailed Act substantially amending the law of libel. Nor is it necessary. Apart from the suggested amendments in the Company Law, what is proposed is in substance to make abuses of the libel laws punishable criminally, and to discriminate more definitely between the degrees of responsibility to be attached to libellers.

There is everything, it is suggested, to be said in favour of making an attempt to extort money by threatening or commencing proceedings for libel a criminal offence. This involves no more than an extension of that group of measures, codified in the *Larceny Act 1916*, ss. 29, 30, 31, whereunder demanding money or other valuables with menaces and threats is now punishable. Once this scourge has been put down, writers and publishers will be able to afford themselves to take the risks involved in the existing law, since they will only find themselves compelled to compensate persons who have been genuinely damnified.

The other proposal is, in effect, to divide responsibility for libel into three categories :

- (1) Where the words are used maliciously or irresponsibly ;
- (2) Where the libel is due simply to negligence ; and
- (3) Where the party responsible, whether as principal or accessory, has acted in ignorance and without intention.

Since the decision in *R. v. Wicks* 52 T.L.R. 253 it is established that any libel is technically indictable, though a prosecution ought not to be instituted where the consequences are likely to be negligible. Wide, however, as are the powers of taking criminal proceedings, they are comparatively seldom resorted to, perhaps because it is generally assumed that a person who has been defamed has his sufficient remedy in damages. No doubt the terror of heavy damages and costs restrains many would-be libellers who have something to lose. But the terror descends alike upon the just and the unjust under our present law of tort, and it strikes most forcibly those who happen to have means (and are therefore usually the most cautious), whether they happen to be unjust or not. In fact, the door is still open to the penniless lampooner to launch his attacks and laugh at the verdict which he can afford to defy, conscious that only in rare cases is he prosecuted.

This may be simply a matter of policy or even a social habit, and admittedly there is machinery under the present law for dealing criminally with every case in which it is probably desirable to do so. It is submitted, however, that the effectiveness in practice of the law of criminal libel would be greatly strengthened by a legislative provision declaring that no prosecution for libel shall prejudice or delay the concurrent civil rights and remedies of the prosecutor or of any other person.

The case is quite different where the libel is due simply to negligence, as where the photograph of one person is published under or near defamatory headlines actually and justifiably intended to refer to another. Here, it is felt, the existing law works quite satisfactorily, and there seems to be no ground whatever for altering it.

On the other hand, the class of case which calls for most attention is that (which has already been noticed above) of the unintentional libel. It is difficult because it involves the apportionment of suffering between two innocent parties. It is important, because it so constantly arises in almost every case where a libel has appeared in print. No one who does not wish to be free to vent personal spite on others can wish to make any safer the way of the malicious, the reckless or the negligent libeller. But no

terror or threats can be apt to deter acts that are done in genuine ignorance.

In such cases, therefore, justice is not done by exposing the writer (or printer or other party as the case may be) who perpetrated the libel to heavy damages and still less to the risk of prosecution. His unfortunate victim has the full right to the rehabilitation of his good name. He has also the right to be reimbursed any provable actual damage and any costs fairly incurred. But the gratification of his vindictive feelings, and even the consolation in cash for his wounded susceptibilities ought to be denied him as against one who is himself only the victim of an accident. This may not mean ideal justice, but it will be less harsh than the merciless punishment of an innocent party.

To meet such cases, the following procedure is proposed :

Any person, on receiving notice that a claim is about to be made against him for libel, may himself give notice that he will, in any action that may be brought against him, raise the defence that he published the words without malice and without knowledge or reasonable means of knowledge of the person or the circumstances to which they referred, and without negligence. At the same time he must offer to publish or to procure to be published in any reasonable manner required by the person making the claim, an unqualified apology for and withdrawal of the words used in so far as they referred or might be understood to refer to such person. He must further offer to pay the amount of the actual damage (including any costs) that can be proved or agreed to have been occasioned as a reasonable consequence of the libel. Thereupon his liability ceases.

Such a course should in many cases prevent the costs of legal proceedings altogether ; though there might be cases in which it is desirable that a statement should be made in open court, short and cheap procedure for which could be devised. The proof of damage too, in the absence of agreement, might involve at least an inquiry. But these are minor matters.

The real difficulty will arise in cases where it appears that advantage is being taken unfairly of this procedure. To meet this it is suggested that the party defamed should be entitled to bring his action notwithstanding such notice of defence. But he would bring it at his risk. Apart from the plaintiff's liability to be prosecuted for blackmail in an extreme case, if it appeared that the defendant was able to substantiate the whole of the defence of which he had given notice, the defendant would be absolved from the necessity of apologizing, withdrawing or paying any damages, and the plaintiff would be condemned in his costs. On

the other hand, if it turned out to be the defendant that was abusing the privilege of the innocent, and he failed to establish any part of his defence, he would lose all right to be relieved from the full force of the existing law of libel, and might well inflame the damages against himself.

It would be unwise to extend this special defence so as to make it available to printers, publishers, distributors and others who may become liable to a plaintiff as accessories only. To do so might (as has already been noticed) leave a plaintiff with no recourse to anyone but an impecunious author, and such cases would be more the rule than the exception. It is, however, suggested that a right of indemnity over against an author should be given to a mere accessory who acted innocently. Little as such right may sometimes be worth, it is open, after all, to a publisher to refuse to handle the works of an author who is not properly insured or does not afford some other security against the risk of a libel action, whereas the plaintiff cannot protect himself in any way against the lack of means of those who have been parties to the injury that he has suffered.

On the other hand, to give an innocent author a defence which is not made available to an innocent accessory would work the grossest injustice. A plaintiff might elect to let the author out, and sue the accessories only, with a right to recover unlimited damages. To safeguard possible defendants against such a position, it is proposed that an accessory should not be subject to any greater liability than the author would be, so that he can always avail himself, in a genuine case, of the author's innocence in reduction of his own liability.

Very careful definition is necessary of "author" and "accessory" so as to include under the former expression everyone who is really responsible for the libel, whether he is ostensibly the writer of it or apparently played a subordinate part only.

SUMMARY OF RECOMMENDATIONS

- 1 It is definitely not advisable to assimilate the law of libel to the law of slander.
- 2 The special problems affecting libel in relation to corporations would best be dealt with by an amendment of Company Law, as to which no detailed recommendations are made pending further investigation.
- 3 The abuse of the law of libel for purposes of extortion should be made a criminal offence.
- 4 The present law of libel, both civil and criminal, should remain unaltered subject: (a) *in a criminal case*, to a

statutory addition, making a civil remedy concurrent with a prosecution; and (b) *in a civil case*, to an extension of the defences available, (i) by limiting the liability of the writer of an accidental libel, (ii) in every case, by giving to mere accessories to a libel (publishers, printers, etc.) a right over against the author in the case of an adverse judgment being executed against such accessories, and (iii) by making the author's innocence available as a defence to accessories, subject to the "author" being defined so as to include all persons responsible in fact for the libel.

The result of putting the above recommendations into operation would be that:

- (a) Malicious or reckless libels would be punishable both civilly and criminally at the same time.
- (b) Negligent libel would be dealt with civilly in accordance with the present law.
- (c) Unintentional or accidental libel will afford a civil remedy limited and safeguarded as far as possible in favour of the persons responsible for it.

REARMAMENT AND SECURITY

by "FABIUS"

SECURITY THE SOCIALIST POLICY

This article deals with a *socialist* rearmament policy, in the conviction that when the Labour Party gets into power it will find itself compelled to possess such means of force as will guarantee the peaceful development of this country under a socialist government. The *party* political problem of rearmament is now solved in the sense that, since the gangster is at large in the world once again, the majority of people in these islands believe in the necessity of possessing adequate means, if not to overawe, at least to defeat, the gangster. But there has so far emerged no *policy* of rearmament. It is the purpose of this article to suggest lines along which a socialist rearmament policy may be achieved. The questions raised are not political but technical and resolve themselves into two general ones, (a) what is the purpose of rearmament, and (b) how shall we rearm most efficiently for the purpose stated. The two cannot be answered separately, but must be answered simultaneously; for the political purpose determines—or ought to determine—the technical preparations, and in turn the state of technical development limits the purpose.

THE MENACE OF FASCIST AGGRESSION

To answer the first question is to answer politically the question "Against whom are we rearming?" Security against interference, in fact against Fascist aggression, would surely be the Socialist policy. The facts of the case are well known. They may be summed up thus: The "Fascist" states are aggressive and there must come a point at which aggression must be resisted; that point will come when on the line of tension an aggression takes place which seriously compromises the national interests of other states. Then it is war, a multi-power war. To the aggressive states there are two courses open; either to go on aggressing quietly until that point and then accept general war, or anticipate the possible reaction at that point by surprise attack before it is reached or even as preliminary to any aggression. From the point of view of this country we have to face a politico-military situation which can be roughly subdivided thus:—

1. A local war gradually aligning the nations until all or most of them are drawn into a multi-power war;

2. A definite aggression by Germany or Italy or Japan provoking action by a coalition of peace-loving powers ;
3. A surprise attack by Germany and/or Italy and/or Japan on the chief supporters—one or several—of a peace-loving coalition or possible coalition.¹

From our point of view the third possibility means a surprise attack by Germany on this country. We have therefore to frame a military policy which will at once enable us to deal with this contingency and enable us to play our part in any of the others.

NECESSITY OF A HOME DEFENCE POLICY

The first essential then is rearmament for *home defence* in the narrow sense of that term, the protection of the life, territory and homes of our people. We must frame that policy irrespective of possible allies. We have allies and we may have more, but alliances do not solve the problem except in the unlikely contingency of their being so organized that the alliance functions the very second attack begins. Clearly, if it is known definitely that the air-forces of other powers would come into action the second attack was launched, we could frame a rearmament policy accordingly. But that means not only an alliance of a kind hitherto unknown with a complete pooling of national resources but an alliance which lives in an impossible state of permanent mobilization.²

We have now defined the primary task. It has been done before, but no attempt has been made to define the war machine necessary to carry it out and up to now it has been almost indecent in Socialist circles even to mention a war-machine.

What character shall that machine have ? It is clear that a surprise attack can be undertaken only in the air and by sea, by the bomber and the submarine. Its object is not conquest in the old sense, though conquest might result, but to knock this country out of the European ring. Its objectives would not be exclusively military. Roughly they would be to destroy national morale by panic-fear, wreck our industrial centres and communications, cripple our naval forces and destroy our air bases. If, for instance,

¹ I have used the word "Coalition" to cover any possible combination of powers in a mutual security system organized under the League of Nations or in a "Peace Bloc".

² I say impossible because it is an ideal state of things though I should not be indisposed to see in the international police force an attempt to realize the impossible. But if I understand the advocates of that scheme aright they envisage a world of peace-loving states and not a world in which a loose coalition of peace-loving states are in opposition to a rather less loose coalition of states which confessedly entertain aggressive designs. The same ambiguity overhangs the slogan "collective security" with its accompanying piece of incomprehensibility, "indivisible peace". At the moment collective security can only mean the method by which the collective security of the *peace-loving states* is assured, and we have not even begun to organize it on a *collective* basis.

a well-organized surprise air and submarine raid in peace time succeeded in setting fire to half London, destroying half our air-force in its bases, inflicting heavy loss on the fleet and its bases, docks, etc., interrupting communications and dislocating production in the industrial areas, even if we made instant reprisal by air we should be out of a European war for six months.

MEASURES FOR HOME DEFENCE

To repel this attack—for it seems both militarily and psychologically impossible to create an air force capable of such terrific reprisal as to prevent attack—there is both passive and active defence. The *former* consists in enlightening the nation in personal defence measures, in ascertaining and making public the true nature of air warfare, *e.g.*, the relative destructive power of gas and incendiary bombs, the organization of fire-fighting, in devising measures to avoid panic, in providing for the redistribution of military bases, vital industries, etc—*i.e.* the devitalising in part of what are now vital centres—in the provision of new roads to ensure alternative rapid transport and the organization of transport in all its forms in such a way as to put it instantly on a war basis. The *latter* consists in the provision of an air force capable of performing the double task of making air-raiding costly and the result of the attack less formidable ; and of immediate reprisal, with the ancillary services of anti-aircraft defence in all its forms. It is essential first to fix the standard of actually available first line aircraft—here there is no agreement, but we may tentatively assume that in numbers and/or efficiency taken together the force should possess a strength equivalent to one-third more than the highest serious estimate of the aggressor's strength—and the provision of sufficient trained personnel, together with adequate ground and manufacturing facilities.

Its provision raises all the other questions which have to be settled, for ultimately it is a question of finance. If such a force is to be provided, then there must be curtailment elsewhere. We have therefore to examine what form the other arms will assume on that basis.

MISTAKEN AND EXPENSIVE NAVAL POLICY

In the first place the navy. In the event of a sudden attack by a " Fascist " alliance, we should probably lose the Mediterranean altogether with heavy loss, unless the policy of keeping strong forces there is promptly replaced by the old policy of extra-Mediterranean concentration.¹ I assume that heavy loss there

¹ In this connection nothing wants more urgent clarification than our naval position as regards France ; at present policy is hopelessly individual, with both nations looking to both the Channel, North Sea and the Mediterranean, despite the pre-war lesson.

and also certain loss from aircraft and submarines in home waters. Such loss would gravely affect the efficiency of the fleet to perform its threefold task of protecting these shores against sea attack, covering the landing of expeditionary forces, and guarding the sea routes. These tasks have been modified in their execution by the fact of air-power and they can only be executed by the possession by the navy of a powerful air arm with land and floating bases, and by decreasing vulnerability by decreasing size and ensuring speed. To construct a battleship today which cannot move without a circle of satellites that invites attack and which is so delicate that the explosion of a large-size air torpedo one hundred yards away can so dislocate its delicate mechanism as to put it out of action is mere throwing away of money. The whole conception of the navy as a defensive arm requires to be studied and revised. One thing is certain that any construction so expensive as to prevent the rapid reorganization of the air arm is automatically ruled out of court. Yet that is what is going on.

Beyond maintaining order the army would have no part to play in such an attack, and the navy probably have to do little more than try to avoid losses. On that narrow view, therefore, expenditure ought to be allotted on that basis, that is, only what is not needed for the air force may be assigned to the other arms.

COLLECTIVE SECURITY AND THE ARMY

But there is a wider view. After the attack and in the other emergencies described above we should have to take our part in a European war. It is here that the correctness of a rearmament policy is so essential. It can, I think, only be based on a return to our traditional strategy in which the army, despite its greater blaze of glory, must remain a secondary factor to the navy and air-force. Never again should a British mass-army be placed on the Continent. The rôle of the land forces should be as before the diversion, either offence at a vital point or defence in protecting sea bases—it might take a considerable force at once to protect the Suez Canal and eliminate an Italian army in Abyssinia—or the gesture, a skeleton force to fight beside the greater armies of an ally. It may be that even here under modern conditions a powerful air-force would do the task better.

But if the army is to be used, what sort of an army shall it be? In other words, how far have modern developments materially changed warfare in the period of peace? That is a question for the military adviser, and he cannot answer it, either generally or in detail, as even the most cursory examination of military literature shows. There are two aspects to the problem. In

the first place, as an old soldier put it, one learns war by fighting, and there has been little or no fighting since 1918. The military adviser therefore lives in the shadow of the experience of the last war; the cynic would say in that of the last but one. Military opinion is today based on the experience codified in 1914 as modified by the "lessons" of 1914—1918, and the great war ended while all the problems it created were still in a state of non-solution. Military opinion is in complete chaos in which it adopts in part all the new ideas while refusing to relinquish any of the old. Even the scientific German today clings to cavalry and maintains that infantry is still the decisive arm. He maintains mass armies of the latter while paying service to the mechanization idea by greatly increasing motor transport and toying with the idea of a highly trained completely mechanized striking force with which to open hostilities. He creates a large air-force, but will lame it rather than do without other arms and weapons which his neighbours still use. *Each army builds on the conception of what its possible opponent is doing.* To old weapons it opposes old weapons; to new weapons new weapons, with the pious hope that it may make the prior discovery of a counter-weapon and is in a state of complete indecision about the advisability of concentrating on any particular weapon or class of weapons. Thus a modern army has become infinitely more expensive—its oil consumption alone is colossal—and at the same time has lost unity. It is a collection of instruments now, not a living organism, instrumentally used.

A SCIENTIFIC REARMAMENT POLICY

Rearmament therefore lacks scientific bases. There is one important aid to establishing them. The war must be short or it will be a universal and not an individual disaster. What must be attained is a combination of strength and speed and that means, if the latter is not to be sacrificed, highly-trained rather than numerical strength. The present tendency is towards mechanization less because with all its complexity mechanization alone can combine strength and speed, but because mechanization is, so to speak, the order of the day in every other department of life. But mechanization—and I mean the word in its fullest implication of an armoured protected soldier capable of moving with infinitely greater speed than his fellows of 1918—involves two things. It means abandoning the conception of mass as applied to armies and transferring the idea of that conception to production and repair.

Here investigation is urgently necessary. I will take one example. It has been estimated that it takes 160 men to keep

an aeroplane in being. That means a permanent establishment of 64,000 men to keep in being a fleet of 4,000 aeroplanes. If they work only eight hours per day the number rises to 90,000. If we estimate on the usual liability to death, accident, ailments, etc., if we remember that the worker will be exposed to constant enemy action, and equally remember that for the next two days after an air raid on the trifling scale of the last war production declined as much as fifty per cent, we shall not be far short of contemplating a permanent establishment of 500,000 men for this comparatively small air force. Add to that that workers must be found to supply and transport material and food and provide essential services and one can put the necessary force, with gaps still occurring and steadily having to be filled, at little short of a million. Consider now tanks, machine-guns, motor-lorries, guns, and where is the human material left for your mass armies? Any nation today which takes the field with the *Millionenheer* will very speedily find itself confronted with one of three courses—to reduce the size of its army in the field, to reduce its mechanization or to starve it. The point can be fixed statistically for any given country on any given basis, but no one has as yet troubled to try to fix it. I shall put the problem another way. In 1914-1918 we mobilized 5,700,000 males, one-eighth to one-ninth of our *total* population; in 1937 we could mobilize, even in the present deficient state of mechanization, barely one-fortieth. If we consider our present navy and our greatly increased air-force, what is left for the army?

THE PART OF THE ARMY

Military conscription is not practical politics and what we must be content with is a small professional force highly trained, completely mechanized, capable of intense mobility, which must be conserved for special tasks.

It is, I think, beyond question that we cannot have a great navy, a great army and a great air-force, and that it is equally beyond question that under modern conditions contraction rather than expansion is made necessary in the two former. The measure of expansion and contraction must be determined by a clear view of the part this country must play in a multi-power war coupled with the necessity of a return to traditional strategy whereby we are the backbone of a coalition rather than its hand or its foot. If we rightly determine that, and further consider the primary necessity of ability to repel attack, I think it will be agreed that, without subscribing to the doctrine of General Douhet in its entirety on the pre-eminence of air warfare, we shall regard the two other arms as the auxiliaries and to some extent the executives

of the air arm. We shall base our rearmament programme on that conception and organize the other two arms accordingly, for, whatever one may say of the air arm as a war winner in itself, it is abundantly clear that no victory is possible unless we can acquire and maintain as complete a mastery of the air as our traditional mastery of the sea. If we do that, our armed forces will form an organic whole.

That policy, however, means an ideological and social revolution that is fundamental. It means scrapping hordes of old conceptions, on armament, recruiting, training and wartime organization. It means making no difference between peace-time and war-time organization, that is, an organization so flexible that the change over from war to peace *as far as the organization itself is concerned* is almost imperceptible. It means, in fact, the Socialist state or, if you will, the socialized state in that form to which our national genius directs us.

This article is inconclusive and nearly every positive statement in it is in the highest degree controversial. From the point of view of guiding opinion it might as well not have been written. But its motive was something very different. Let me put it in this way. We have on the one hand a vast body of official military opinion almost impervious to argument but respectable by reason of the experience it has acquired and the distinction of its representatives. That opinion is concentrated in the official advisers of the government, who with the best will in the world are impatient of change and stuffed with service prejudices to such an extent that they find it almost impossible even to discuss a new idea. Over against these very shortly will be a Labour Government to the majority of whom and to the majority of whose supporters any endeavour to acquire military knowledge has hitherto seemed an indecency compared to which bestiality is trivial. If that deliberate ignorance of the technical aspects of warfare is maintained, that government will be completely controlled by its advisers and at the mercy of the crank who finds in military technique a rich province. We shall either proceed along the old paths without sense of military unity, spending profitlessly, unable to resist even the most preposterous demands of advisers—unless indeed these are inconsistent with electoral victory—and ending by providing the Socialist state with a military machine whose defects will all have to be remedied, if at all, while war is proceeding. At the present moment our military machine is incompetent to protect our vital interests and even our shores and is without hope except that its enemies make similar and even worse mistakes.

What I plead for is this—the collection of the necessary data, the drawing of the necessary conclusions for the guidance of that Labour Government when it comes into power, so that the ministers of defence will not only have a definite idea of what they want but the ready knowledge with which to confute the obstructionism of the official advisers. I want them to be able to oppose clear doctrine to the present doctrinal chaos. The data is all there. It only wants to be assembled, digested, criticized and the conclusions drawn. Is there I wonder a single member of the Labour Party today who, confronted with any three of the odd hundred burning contemporary military controversies, could pass a judgment that would satisfy an intelligent schoolboy? I doubt it and in that doubt lies the justification of this article.

The following books, received too late for review in this issue, will be reviewed in the next *Quarterly*: *World Economic Survey, 1935*, League of Nations (George Allen and Unwin, 6s od; *The Problem of Nutrition*, 4 volumes, League of Nations (George Allen and Unwin, 2s od, 6d, 5s 6d, and 3s od respectively).

RECOMMENDED BOOKS

Books mentioned below have been selected as of particular interest to *Quarterly* readers, and have been commented on by members of NFRB research sections specially qualified to deal with the subjects concerned. The books are recommended to *Quarterly* readers as especially worthy of attention.

CABINET GOVERNMENT by W. IVOR JENNINGS. (Cambridge University Press. 21s.)

Dr. Jennings has consulted every available reference in the compilation of this much-needed book. The chapters on the formation of a Government, Treasury Control, and the Cabinet are particularly important and well done from the material available. Of great interest for future developments is the chapter on the War Cabinet, the Committee of Imperial Defence and the Economic Advisory Council. His survey extends from the Reform Act to the present day. It is a pity that the recent crisis should have occurred so soon after publication, in view of the chapter on Constitutional Monarchy, which make interesting reading in the light of the Crisis.

ZERO HOUR by RICHARD FREUND. (Methuen. 10s 6d.)

A competent and very readable survey of world politics, packed with facts (and mainly correct facts). Written from the "essential national interest" point of view, and tends to under-estimate the effects of internal political changes in class structures upon those "interests." A good antidote to an over-dose of Marxian political literature.

ALTERNATIVE TO REARMAMENT by JONATHAN GRIFFIN. (Macmillan. 6s.)

A definitely important book. Demonstrates clearly Britain's immense natural vulnerability to attack from the air, and suggests detailed measures for reducing that vulnerability. Proposes these as alternative to aggressive arming (e.g., bombers) except in so far as latter is included in pooled air force plan. Contains some of the germs of a sound Labour defence policy.

WHICH WAY TO PEACE? by BERTRAND RUSSELL. (Michael Joseph. 7s 6d)

An original and ably argued attempt to put integral pacifism on a sound political basis. Mr Russell is in fact back again at the old position of the rights of the individual conscience against the State, a position no one denies, but one on which it is impossible to base a true political defence of a pacifism whose consequences cannot be individual. Non-resistance, which is the true pacifism, is not a *policy* but an individual *act*, the aim of which remains ethical rather than political however many people jointly perform it.

HUMANITY, AIR POWER AND WAR by PHILIP MUMFORD.

(Jarrolds. 12s 6d).

Captain Mumford, mixing realism with idealism, supports Air Commodore Charlton's terror-piece of the future war, from which he believes escape lies in the internationalism of the New Commonwealth, while he inclines to the extreme pacifism of Mr Sheppard; if not entirely sound political thinking much of it is well worth pondering.

HITLER OVER RUSSIA by E. HENRI. (Dent. 8s 6d).

This sequel to *Hüler over Europe* combines fantasy in its picture of the coming war in Eastern Europe with a useful description, simplified to horrify, of Germany's present activities in Central Europe, and a close analysis of the reasons for the 1934 purge as the preliminary to the establishment of a reactionary military régime involving contradictions only to be solved in foreign war.

JUSTICE AND EQUITY IN THE INTERNATIONAL SPHERE, with a Preface by PROFESSOR HAROLD TEMPERLEY. (Constable. 4s 6d).

This book will be of value to all those interested in the vital subject of Peaceful Change. These five essays explore the possibilities of various modes of procedure for the settlement of international disputes. Professor H. A. Smith has a stimulating contribution to make on Interstate Disputes in the American Supreme Court; and Professor Donald Maclean's statement on International Justice from the Christian point of view is of particular interest today in the light of the Abyssinian War.

MILITARISM AND FOREIGN POLICY IN JAPAN by E. E.

N. CAUSTON. (Allen and Unwin. 7s 6d.)

An able analysis of the reasons for the ascendancy of the military element in Japan. The author avoids the frequent error of supposing that Japanese policy is determined by the army alone, but he does show that the army holds an independent position and that it has exceptional power and influence. The book is a valuable contribution to our knowledge of Japanese imperialism.

FAR EAST IN FERMENT by GUENTHER STEIN. (Methuen. 244 pp.

10s 6d net.)

A very useful guide to the problems of the Far East. The survey of the political and economic situation of Japan is clear and incisive. The author's view of the gradual emergence of Chinese unity is of special interest and importance.

THE TRUE FACE OF JAPAN by KOMAKICHI NOHARA. (Jarrolds, London. 288 pp. 16s net.)

This is an account—enriched with numerous and very interesting photographs—of the national ideals of Japan. The author shows a deep respect both for the United States and for the Soviet Union. The kind of ideal he describes—and praises—is a sort of "national bolshevism." It has been said that Japan is "a paradise for artists and a hell for proletarians." The author does justice to the paradise, but does he not understate the harshness of Japanese poverty?

IS IT PEACE? by GRAHAM HUTTON. (Duckworth. 12s 6d).

Mr Hutton here attempts to set current European events in what he regards as their true historical perspective. He believes that Britain and France will have, sometime, to take a stand against the Fascist Powers. His answer to his question is no more hopeful than 'For Great Britain, it can be peace—at a price, and for a season.' A thoughtful and objective book, detailed in its references.

THE LEAGUE FIASCO by VICTOR MARGUERITTE. (Hodge, London. 284 pp. 10s 6d net.)

An account of the League of Nations that would be more devastating if the author did not apply absolute and Utopian standards. What he seems to have expected of the League is the humanly impossible. The League is not a super-state, but a congeries of Governments. To blame it for the failure of disarmament, for unemployment, and so on—in fact for the political and economic crisis that has spread over the world—is to flog a wooden idol.

YUGOSLAVIA (MODERN STATE SERIES NO. 12) by E. J. PATTERSON. (Arrowsmith, London. 136 pp. 3s 6d net.)

An objective, thorough, and lucid account of Yugoslavia. No attempt is made to conceal the abuses that still exist in the Yugoslav State, but full credit is given to

Recommended Books

the great achievement of the Yugoslavs in building up a national community under stupendous difficulties. Yugoslav history is briefly surveyed. The general survey at the end gives an admirable account of the present condition of Yugoslavia.

THE STRUGGLE FOR POPULATION by D. V. GLASS, Introduction by A. M. CARR-SAUNDERS. (Oxford University Press. 7s 6d.)

Written as a result of an enquiry by the Eugenics Society into the measures recently taken by European States to stimulate their birth rates. Deals notably with the position and future trends in England and Wales, and with the measures of stimulation adopted in Germany, Italy, France and Belgium. There is a great deal of valuable new material in this book. It shows that the policies adopted have not been successful as yet, and reveals the necessity for further research into why people are limiting their families.

THE DECLINE AND RISE OF THE CONSUMER by HORACE M. KALLEN. Appleton Century Co. 10s 6d.)

An impassioned, Utopian plea for a cooperative commonwealth built on the consumers movement. Very useful for facts about recent American experiments not easily obtainable over here; but contains no *objective* discussion of the possibilities of cooperation and the criticism of other systems is weak. Useful bibliography.

A. R. ORAGE by PHILIP MAIRET, preface by G. K. CHESTERTON. (Dent. 8s 6d.)

A memoir of the late editor of the *New Age* and the *New English Weekly* by one who knew him in his latter years and is rather more interested, to judge by his allocation of space, in Orage's spiritual development than in his social and political effects. The period up till 1915, when he was a real force in radical thinking, is, however, well if briefly described.

THE LAST THIRTY YEARS IN PUBLIC HEALTH by SIR ARTHUR NEWSHOLME. (Allen & Unwin. 40s pp. 15s.)

The major part of this book describes the author's experiences, arranged by subjects, at the Local Government Board between 1908 and 1919. It is followed by an account of a visit of investigation to the United States, a comparison of the two countries, and three brief chapters on Soviet Russia. As it is a kind of supplement to the author's earlier works, the effect of some parts is rather scrappy and referential; but it contains some very useful reflections and affords an interesting picture of developments in the policy and practise of Public Health departments.

THE TRADE CYCLE by R. F. HARROD. (Oxford University Press. 10s.)

The Trade Cycle is second only to War as the scourge of humanity. Keynes' recent book paved the way for a big advance in Trade Cycle Theory. Mr. Harrod's theory of the Trade Cycle is based partly on Keynes and partly on J. M. Clark's *Strategic Factors in Business Cycles*. Harrod believes the Trade Cycle to originate in changes in the relation between the output of consumers' goods and capital goods. A difficult but important book, especially for progressive people.

MR KEYNES AND THE LABOUR MOVEMENT by A. L. ROWSE. (Macmillan and Co. 2s 6d.)

Rowse's bright book expands the contention that Keynes' economic views are in harmony with those of the Labour Party and that Keynes' book is an important reinforcement of Left arguments. On questions of political strategy Rowse expresses disagreement with Keynes. Entertaining and stimulating reading.

EMPLOYMENT AND THE DISTRESSED AREAS by H. POWYS GREENWOOD. (Routledge. 3s 6d.)

Mr Greenwood knows a great deal about the Distressed Areas from personal experience, and he has some interesting suggestions to make. He considers we should use the Distressed Areas as a laboratory for social experiment, and suggests that the results might be of benefit not only to the Distressed Areas but also to society in helping to clear up difficulties of social control over economic affairs.

The following books had to be omitted owing to pressure on space and will be reviewed in the next issue: *Behind the Spanish Barricades* by John Langdon Davis; *The Tragedy of Spain* by Allison Peers.

